

# The capitalist road to communism: are we there yet?

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*Right can never be higher than the economic structure of society  
and its cultural development conditioned thereby.*

Karl Marx<sup>1</sup>

## **Abstract (in French)**

*Vingt-cinq ans après la publication du texte provocant de Van Parijs & van der Veen 'A capitalist road to communism', l'économie mondiale a atteint l'abondance nécessaire à l'avènement du communisme. L'évolution des moyens et rapports de production rend possible l'élimination de la division du travail, de la propriété privée et des divisions de classes – conditions essentielles dans une vision marxiste du communisme. Une allocation universelle dans le contexte d'une économie mondialisée, en réseau, portée par une nouvelle avant-garde, pourrait donner corps à l'affirmation originale et ambitieuse de Van Parijs & van der Veen.*

## **Introduction**

One of Philippe Van Parijs' earliest articles on basic income, co-written with Robert van der Veen, was the provocatively titled 'A Capitalist Road to Communism'. (van der Veen & Van Parijs 1986a and 1986b). Motivated by the growing recognition of the economic and political failures of most of the world's socialist regimes, which were soon to collapse, Van Parijs and van der Veen asked whether socialism was a necessary stage in the transition to communism. They argued that the necessary conditions of communism could be approached in capitalist societies by the institution of an unconditional, universal grant at the highest sustainable level. In this view, communism arises from capitalism as the universal grant grows to meet everyone's basic needs, the quality of work improves because workers are no longer forced to accept unrewarding or unpleasant work out of need, and paid work and leisure are more widely distributed than they are now.

Van Parijs and van der Veen did not claim that a universal grant was *all* that would be required for communism to be achieved in capitalist societies, only that a universal grant makes it *possible*, and without the intermediate

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<sup>1</sup> Marx (1978a: 531).

step of socialism. They rejected the claim that social ownership and control of productive forces is necessary to reach the level of abundance required for communism, and they also rejected the argument that socialism is necessary to reshape man into an altruistic being in order for communism to succeed. Their vision proposed “tak[ing] persons and their preferences as they are,” but altering the nature of paid employment through the shift in the incentive structure brought about by the universal grant. By removing the compulsion to work out of necessity, work would be transformed into something indistinguishable from leisure, and instead of being forced, it would become, in Marx’s words, “life’s prime want.” (van der Veen & Van Parijs 1986a: 638; Marx 1978a: 531).

Their argument was exactly as provocative as one expects Van Parijs and van der Veen intended it to be, inspiring a raft of critiques at the time of its original publication and again on its reprinting 20 years later in the inaugural issue of *Basic Income Studies*.<sup>2</sup> The launch of an entire journal devoted to exploring the idea of basic income—an unconditional, universal grant at the highest sustainable level—can be said to mark the coming of age of the contemporary debate on basic income launched by Van Parijs and van der Veen’s inspired volley. Now 25 years after the publication of the original essay, Van Parijs and van der Veen must be groaning at the thought of yet another commentary on that ancient piece—Van Parijs especially, who has not only written a book-length argument for basic income on grounds of liberty and social justice (Van Parijs 1995) but has now moved on to other projects in political theory (Van Parijs 2011). But I hope they will indulge one more brief comment on their piece, one that touches on the historical materialism of the argument, and asks whether the material conditions and relations of production have evolved in the intervening years in such a way as to support their original, ambitious claim.

### **The human capital economy**

In 2011, there can be no doubt that globally we have achieved a state of advanced capitalism and a level of production that makes possible the elimination of absolute need for all people, while simultaneously rendering the vast majority of the world’s population not only propertyless but abjectly poor—a paradox predicted by Marx in *The German Ideology* (Marx 1978b: 161). The material condition of abundance has been achieved, but the condition of the working class in developed nations has become more precarious, and the dire conditions of the poor in developing nations have

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<sup>2</sup> See van der Veen & Van Parijs (2006) for their reply to the critics.

now, with our global communications network, become impossible for the West to ignore. We are also now unable to ignore the West's complicity in economic and political institutions that have worsened the conditions of the global poor. Poverty can no longer be considered a problem of scarcity, but of the underlying relations of production, class structures, and political institutions generated by our capitalist economic system. A basic income could certainly improve the material conditions of the poor and the working class, but the more interesting question is whether material conditions have paved the way for a basic income instituted now to abolish the division of labor, private property, and class divisions—conditions critical to Marx's vision of communism.

I want to suggest that they have, for three reasons. *First*, advanced capitalism is undergoing a shift to the greater importance of human capital, as opposed to financial capital, in the post-industrial economy, a development that highlights the importance of the basic income's promotion of human capital investment. This is not to ignore the vast profits that still accrue to the financial industry, nor the need for many enterprises to have access to significant financial capital, but to highlight the shift from manufacturing to knowledge and information industries as the drivers of economic growth and development. This is indicated both by the fact that the financial industry no longer makes the bulk of its profits from providing capital investment funds to industry, but by financial arbitrage, and by the increasing importance of wage disparities over capital income in income inequality today (Saez 2006).

*Second*, the global communications network increasingly allows individuals to find each other and groups to associate without the traditional intermediary organizations of firms, states, or NGOs. The economic advantages to those connected to this network and able to manipulate it effectively are high and almost certain to increase.

*Third*, digital technologies continue to transform the capitalist economy by undermining existing business models, providing the kind of economic upheaval that just might open the door to new means and relations of production.

When Marx wrote at the height of the industrial revolution, the transformation of the Western economy from an agricultural to a manufacturing base was heavily dependent on financial capital-intensive plants and processes. In the 21<sup>st</sup> century, the greatest economic advances are human capital-intensive, not through unskilled labor inputs, but through knowledge, education, and technology transfer. This economic transformation highlights the importance of human capital investment, and yet national governments are constrained in their ability to make such

investments as they compete in a global marketplace for investors with a preference for low taxation and lenient regulatory regimes. This crisis of internal contradiction is clear in the U.S., for example, where the business community regularly bemoans the poor education and workplace preparedness of American workers while its lobbyists simultaneously oppose increased taxation and government spending to improve school preparedness and educational outcomes. The U.S.'s open borders to talented foreigners and capital mobility forestall the crisis by poaching talent educated elsewhere and by moving production or outsourcing services to nations with under-utilized educated workforces. But we may already be seeing the limits of outsourcing and capital mobility as solutions to this conundrum, in part because of the expanding global communications network.

### **Digital globalization**

The same global communications network that makes outsourcing and distributed production possible makes it increasingly difficult for global firms to shield their business practices in one country from their consumers in another. Firms now have to compete among their educated and networked consumers not only on price but on corporate social responsibility—on factory conditions, environmental impact, sourcing of raw materials, and overall corporate citizenship. Global communications tools restore some of the regulatory power lost by national political regimes to digitally-savvy consumer groups, which now require less formal organization and coordination than they once did (see Shirky 2008). While it is true that empowered consumers could use their power to drive down prices rather than to expand corporate citizenship, they can no longer do so in ignorance of the harm they are doing—to farmers, child laborers, or the environment. Our own consumerist choices face the same transparency and accountability as those of corporations.

Moreover, we have seen over the past dozen years how the internet and the larger global communications network allow digitally-savvy individuals not only to become more empowered consumers but to become independent producers, and to find consumers and markets outside of traditional corporate structures. Digital technologies give individuals the ability to self-organize across national or linguistic boundaries to cooperate on projects for pay or, in Marx's terms, simply to express one's humanity as a producer. Ironically, in a world in which most of the means necessary to preserve life—access to land and water—are increasingly privatized, global communication among individuals has become virtually free, despite the

private ownership of the most common social media tools. Among its many features, the global communications network can put individual or small-scale producers in direct contact with consumers, who together become “co-producers,” in the words of the Slow Food movement (Botsman & Rogers 2010).<sup>3</sup> While such unmediated capitalist exchanges are admittedly a fraction of global capitalism today, they can only increase as internet technology continues its spread across the globe and deeper into all societies.

Beyond such unmediated capitalist acts between consenting adults, digital technologies also disrupt longstanding business models based on scarcities of information and barriers to distributed cooperation. Not only do the entertainment and publishing industries have to create new business models to contend with the digital reproducibility of their products, these and many other industries—including journalist, software, and educational enterprises—must now compete with self-organized networks of individuals who provide their products for free.

### **A new vanguard?**

All of these changes hinge on the fact that a new class has emerged since Marx’s time, a class that is neither quite worker nor capitalist, but shares features of both: professional knowledge workers. Like capitalists, they capture some of the social surplus for themselves through the salaries they are able to command for their education and professional skills—undeserved employment rents, in Van Parijs’ terms. As Van Parijs argues in *Real Freedom for All*, regular, paid employment has become a scare resource whose benefits ought to be subject to redistribution (Van Parijs 1995: 89-132). In fact, the most significant class distinction today is not between workers and capitalists, as in Marx’s time, but between the regularly employed and the chronically un- or underemployed. For the educated and professional class of knowledge workers in Western nations, it may not be too much to say that employment rents already constitute a form of basic income that allows knowledge workers to overcome the imprisoning division of labor and to have multiple identities and play multiple roles, only some of which are for pay. They can take time for education, for parenting, for social relations and civic activities, and also for unpaid activities that may be little different from their paid employment—blogging, contributing to open source projects, and buying, selling, or trading services or products directly with others, with little or no mediation by traditional for-profit firms. Knowledge workers are able to invest their portion of the social surplus in

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<sup>3</sup> See also: [www.slowfood.com](http://www.slowfood.com), and <http://collaborativeconsumption.com/>.

traditional ways, in their and their family's education and well-being, but also in ways that are disruptive of traditional economic models.

Despite the leading role these knowledge workers play in the modern capitalist economy, they nevertheless share a degree of economic precariousness with the chronically unemployed. In the end, they remain workers, and globalization and the rise of educated workforces in the developing world have stripped knowledge workers in the West of their monopoly on knowledge-based professions, while retrenchment in the realm of social safety nets and defined pensions leaves even these privileged workers more exposed to economic downturns. Furthermore, the disruption of traditional business models by digital technologies affects the job security of professionals in many fields: it may be easier to become a "published" author than ever before, for example, but harder to be paid a living wage for it.

Knowledge workers may not conform to Marx's idea of the proletariat as the vanguard of the communist revolution—rather, the thought no doubt has him rolling over in his grave—but their experience does provide a roadmap for how a basic income, at this particular stage of economic development, could not only resolve the economic precariousness of all workers, but also abolish the division of labor, class divisions, and private property in the means of production, while not only maintaining but potentially further increasing productivity.

The salaried knowledge worker with sufficient leisure time to engage in voluntary creative production with like-minded collaborators across the globe has already escaped the imprisoning division of labor Marx described as an essential feature of capitalism, even if she still spends part of her day working for her wages. This is not only because her skills allow her more choice in her waged labor than low-skilled workers, nor only because she has sufficient leisure time to develop her productive capacities as she chooses. She has escaped the division of labor because she owns some of the means of production—her knowledge and skills—and has easy access to other means of production—the global communications network. As long as the advantages enjoyed by knowledge workers are limited to this class alone, the full potential for economic transformation brought about by new technologies will be unrealized. How could the interests of this class align with those of all workers?

The common resource on which knowledge workers depend for their emancipation is access to the global communications network, and the critical importance of this resource remaining part of the commons is not lost on them. They are likely to resist—and because of their socio-economic standing and networked advantages, likely to successfully resist—

privatization of this commons more than of those already lost, such as land, water, clean air, minerals, oil, and gas. Can this class be convinced to advocate for a universal resource dividend in return for the commercial development of the airwaves—and other common resources too? As speculative as that may be, a universal dividend financed by rents on common resources is more likely to win the support of this privileged class of workers than one financed by taxes on resources experienced by them as individual, such as income, employment rents, and personally accumulated wealth. Not only can a resource dividend financed from rents on resources they recognize as common help to preserve those commons for public benefit, it can also serve as a hedge against their own economic precariousness as economic cycles take their inevitable toll, and business plans based on new technologies and models of collaboration succeed or fail in turn. Moreover, a resource-financed dividend avoids the exploitation objection often leveled against an income tax-financed basic income, allowing the interests of this class to align with those of the chronically un- or underemployed. Furthermore, the successful capture as a dividend of the rents from this commons might also lead to a new look at previously privatized commons. Is it time, then, for the basic income movement to declare its allegiance to the financing of a basic income via resource dividends, rather than income taxes? Is this the key to mobilizing this new vanguard in support of a basic income for all?

### **Are we there yet?**

My country, the U.S., is the land of the road trip. Every parent who sets out full of optimism about the wonders to be found at the end of several hours or days behind the wheel hears the familiar whine from the backseat much sooner than they ever expect: are we *there* yet? After 25 years on the capitalist highway since Van Parijs and van der Veen's provocative challenge, shouldn't the exit sign for communism be near?

Like Van Parijs and van der Veen, I cannot claim that the rise of a new potentially revolutionary class is sufficient in itself to bring about communism without the unlikely (and frankly unappealing) intermediary measures indicated in the *Communist Manifesto*—dictatorship of the proletariat, establishment of industrial and agricultural armies, etc. (Marx & Engels 1978: 490). I agree that it is only possible. Critical, however, is that arguments for an alternative path to communism address not only the distributive criterion of communism—"from each according to his abilities, to each according to his needs" (Marx 1978a: 531)—but also the means and relations of production. If, as I have argued, the growth of the contemporary

capitalist economy is based on the development and exploitation of a new commons—the global communications network—through the intensive and widespread human capital development of its users, we must ensure that its ownership and exploitation benefit all members of society, and do so in a way that promotes access for all. A resource-financed basic income that secures the means necessary for all people to develop their human capital allows all to free themselves from the division of labor, and all to become co-owners of the increasingly dominant means of production in the 21<sup>st</sup> century. If we seize the opportunity provided by the appearance of this unexpected revolutionary class and guide them toward the means by which the free development of each is truly the condition for the free development of all (Marx & Engels 1978: 491), we may find ourselves further along the capitalist road to communism than we thought.

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